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DEPARTMENT FOR EAP/MLS, EAP/K

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TAGS: [PREL](#) [PGOV](#) [PINR](#) [ECON](#) [KS](#) [KN](#) [VM](#)

SUBJECT: VIETNAM ECONOMIC DELEGATION TO NORTH KOREA REBUFFS  
REQUEST FOR AID, CALLS FOR GREATER DPRK OPENNESS

Classified By: Pol/C Marc Knapper per 1.4, (b/d)

¶1. (C) Summary: The GVN recently sent a Ministry of Trade-led delegation to Pyongyang and Nampo. According to a GVN readout of the visit provided to the ROK Embassy, during the delegation's August 28-September 1 visit, the Vietnamese turned down a DPRK request for food and other assistance, saying that North Korea should buy what it needs on the open market, as Vietnam now has a market economy. The Vietnamese delegation also urged North Korea to open its economy, noting that Vietnam's steps in this area led to the lifting of the U.S. trade embargo. The Vietnamese representatives rejected North Korea's excuses for the poor shape of its economy -- namely, U.S. policy, natural disasters and the collapse of the Soviet Union -- by pointedly asserting that Vietnam has overcome these same obstacles. End Summary.

¶2. (C) ROK Embassy Political First Secretary Lee Kang-kuk provided Pol/C with the GVN's readout of a recent Vietnamese Ministry of Trade-led mission to the DPRK. The eight-person Vietnamese delegation, led by Vice Minister of Trade Pham The Rue, visited Pyongyang and Nampo August 28 to September 1 and included working-level officials from the Ministries of Trade, Finance, Foreign Affairs, Construction and Posts and Telecommunications. In addition to participating in the 6th Vietnam-DPRK Economics Conference in Pyongyang, the delegation paid a courtesy call on the North Korean Trade Minister and visited a number of industrial sites, including a PRC-built glass factory in Nampo. The DPRK's delegation to the conference was led by Vice Minister of Trade Ri Myong-sang.

¶3. (C) The ROK Embassy's Lee related that, during the delegation's visit, the DPRK formally requested 200,000 tons of rice and 5,000 tons of rubber. The Vietnamese delegation responded that Vietnam cannot afford to provide this kind of assistance to North Korea. Furthermore, if the DPRK needs these goods, it should purchase them from Vietnam on the open market, as Vietnam is now a market economy. In response to the Vietnamese delegation's request that the DPRK repay Vietnam for the 20,000 tons of rice it gave North Korea in 1996, the North Koreans said that they are not in a position to do this. The two sides agreed that their respective Ministries of Finance would continue to discuss this matter. They also agreed to provide each other lists of needed goods to try to arrange barter trade between the two countries.

¶4. (C) The Vietnamese delegation pressed the DPRK to reform and open its economy, according to the readout the ROK Embassy received. Because Vietnam has opened its market, it has developed quickly, and its increased openness led the United States to lift its trade embargo on Vietnam. North Korea should do the same. The North Korean representatives reportedly responded that the DPRK economy is in poor shape because of U.S. policy, natural disasters and the collapse of

the Soviet Union. The Vietnamese rejoined that Vietnam has also suffered from natural disasters and had to deal with the collapse of the USSR, but that it was able to grow stronger because it opened its economy and overcame the U.S. embargo. The North Koreans concluded by agreeing to "try to understand" the Vietnamese representatives' points.

MARINE